

about Sedgwick County Government

August 2003

"Self-Supported Municipal Improvement District" Tax Issues

Sedgwick County Appraisers Office

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What is "SSMID" — An improvement district created by the City of Wichita to levy special taxes for special benefits...This taxing district area is within the downtown development area (near Kellogg to Central, from Arkansas River to Old Town) to enhance Downtown Wichita.

What has occurred? A taxing error in 2001 (the first year of existence of the Downtown Development District) was recently discovered. Some personal property was omitted from the certifiable taxable value. This caused the County Clerk to calculate a tax rate slightly higher than it should have been.

Because this did not affect the overall amount of taxes collected for the SSMID, it means that some taxpayers underpaid their taxes, and some overpaid.

The **total taxes** collected by Sedgwick County for the SSMID were appropriately paid to the Downtown Development District. The total budget for the Downtown Development District was \$160,000 in 2001.

How is this being corrected?

Once the error was discovered, we began the review of what property was owned by each taxpayer, what was taxed and how much was paid, and what may have been omitted. The tax rate was then recalculated (at a lower rate) and then applied to each taxpayer appropriately.

With this recalculation, some taxpayers will receive a refund and some will receive a tax bill. For those due a refund, checks will be mailed in September.

Those who owe additional taxes have been notified in a letter from the County Appraiser of this situation and new tax bills will be sent in November (due December 20). Those businesses that were impacted the most have received personal contacts by County staff to explain the situation.

** Only refunds or tax bills in excess of \$5 will be issued.

How many taxpayers are in the SSMID?

There are approximately 1500 businesses in the SSMID. The total amount at issue in this situation is approximately \$50,000. The 2002 valuation for the SSMID was not impacted by this 2001 error.

